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In The

SUPREME COURT OF THE UNITED STATES

FALL TERM 1992

BILL J. PATRICK,
Petitioner,

vs.

UNITED STATES OF AMERICA,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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QUESTIONS PRESENTED

1. Whether a person may lawfully be convicted of conspiracy to commit [an offense against the United States] by general jury verdict which permitted a finding of guilt based on non-criminal conduct?[1]

2. Whether a prospective juror (here, the foreman) who, during *voir dire* examination, failed to affirmatively respond to five material questions thereby withholding information concerning his qualifications to serve has exhibited sufficient bias so as to require a new trial?[2]

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[1] Question presented by co-petitioner, Delmus G. Gross in which petitioner Bill J. Patrick will join should Gross' petition for certiorari be granted.

[2] Question anticipated to be presented by petitioner, Joseph Mohwish in which petitioner Bill J. Patrick will join should Mohwish's petition for certiorari be granted.

PARTIES

Parties to this action in the United States Court of Appeals for the Sixth Circuit were, Bill J. Patrick; Delmus G. Gross; Joseph A. Mohwish; Kathy Mohwish; Sue Bell Sheets; and The United States of America.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Petitioner, Bill J. Patrick, by his attorney prays for a Writ of Certiorari only in the event the Court were to grant a Writ of Certiorari to either Delmus G. Gross or Joseph A. Mohwish, his codefendants in the United States District Court and coappellants in the United States Court of Appeals. Petitioner, Bill J. Patrick, does not seek review of the Sixth Circuit Court of Appeals decision reversing his Continuing Criminal Enterprise (CCE) conviction (Exh. A & C) Patrick will join

Delmus Gross to the extent their convictions on Count 13 of the indictment (conspiracy) is considered and Joseph Mohwish to the extent that the juror misconduct issue charge is considered.

OPINIONS BELOW

The opinion of the United States District Court for the Eastern District of Kentucky has not been officially reported. The opinion of the United States Court of Appeals for the Sixth Circuit (Exh. A) is at pages a-1 through a-16 and has not yet been officially reported but is available on WESTLAW at 1992 WL 104520 (6th Cir. 1992). The Sixth Circuit Court of Appeals Order denying rehearing and rehearing en banc (Exh. B) is at a-17 through a-18. The Sixth Circuit Court of Appeals Order vacating the CCE conviction of Bill J. Patrick (Exh. C) is at a-19 through a-20. The United States District Court, Eastern District of Kentucky, Order vacating the

CCE conviction of Bill J. Patrick is at a-21 through a-22.

JURISDICTIONAL STATEMENT

The date of the judgment of the United States Court of Appeals for the Sixth Circuit is May 20, 1992. The order denying Rehearing and Rehearing En Banc is dated July 6, 1992. Jurisdiction of the Court of Appeals for the Sixth Circuit was invoked under 28 U.S.C. § 2072 and Federal Rule of Appellate Procedure Rule 4(b). Jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL PROVISIONS

United States Constitution, Amendment V

[N]or be deprived of life, liberty, or property, without due process of law; . . .

United States Constitution, Amendment VI

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime

shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defense.

United States Constitution, Amendment VII

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the united States, than according to the rules of common law.

STATUTES

31 U.S.C.A. § 5313 -- Reports on domestic coins and currency transactions.

(a) When a domestic financial institution is involved in a transaction for the payment, receipt, or transfer of United

States coins or currency (or other monetary instruments the Secretary of the Treasury prescribes), in an amount, denomination, or amount and denomination, or under circumstances the Secretary prescribes by regulation, the institution and any other participant in the transaction the Secretary may prescribe shall file a report on the transaction at the time and in the way the Secretary prescribes. A participant acting for another person shall make the report as the agent or bailee of the person and identify the person for whom the transaction is being made.

(b) The Secretary may designate a domestic financial institution as an agent of the United States Government to receive a report under this section. However, the Secretary may designate a domestic financial institution that is not insured, chartered, examined, or registered as a domestic financial institution only if the

institution consents. The Secretary may suspend or revoke a designation for a violation of this subchapter or a regulation under this subchapter (except a violation of section 5315 of this title or a regulation prescribed under section 5315), section 411 of the National Housing Act (12 U.S.C. 1730(d)), or section 21 of the Federal Deposit Insurance Act (12 U.S.C. 18291b).

(c)(1) A person (except a domestic financial institution designated under subsection (b) of this section) required to file a report under this section shall file the report--

(A) with the institution involved in the transaction if the institution was designated;

(B) in the way the Secretary prescribes when the institution was not designated; or

(C) with the Secretary.

(2) The Secretary shall prescribe--

(A) the filing procedure for a domestic financial institution designated under subsection (b) of this section; and

(B) the way the institution shall submit reports filed with it.

31 U.S.C.A. § 5322 -- Criminal penalties.

(a) A person willfully violating this subchapter or a regulation prescribed under this subchapter (except section 5315 of this title or a regulation prescribed under section 5315) shall be fined not more than $250,000, or imprisonment [for] not more than five years, or both.

(b) A person willfully violating this subchapter or a regulation prescribed under this subchapter (except section 5315 of this title or a regulation prescribed under section 5315), while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period,

shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.

(c) For a violation of section 5318(a)(2) of this title or a regulation prescribed under section 5318(a)(2), a separate violation occurs for each day the violation continues and at each office, branch, or place of business at which a violation occurs or continues.

31 U.S.C.A. § 5324 -- Structuring transactions to evade reporting requirement prohibited.

No person shall for the purpose of evading the reporting requirements of section 5313(a) with respect to such transaction--

(1) cause or attempt to cause a domestic financial institution to fail to file a report required under section 5313(a);

(2) cause or attempt to cause a domestic financial institution to file a report required under section 5313(a) that

contains a material omission or misstatement of fact; or

(3) structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with one or more domestic financial institutions.

18 U.S.C.A. § 371 -- Conspiracy to commit offense or to defraud United States.

If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $10,000 or imprisoned not more than five years, or both.

If, however, the offense, the commission of which is the object of the conspiracy, is a misdemeanor only, the punishment for such conspiracy shall not exceed the maximum punishment provided for such misdemeanor.

STATEMENT OF THE CASE

On December 14, 1988, Petitioner Bill J. Patrick was indicted, along with Joe Mohwish; Kathy Mohwish; and Delmus G. Gross in the Eastern District of Kentucky. The indictment charged that Patrick had engaged in a drug conspiracy with the Mohwishes and with Gross, that he had committed various violations involving cocaine and marijuana, and that he conspired with them to launder money. The indictment alleged that certain drug-related acts occurred in Lexington, Kentucky; Northern Kentucky; Cincinnati, Ohio and Florida. In addition all were charged with continuing criminal enterprise, under 28 U.S.C. § 848.

The matter was tried to a jury. Kathy Mohwish was acquitted of all charges. On August 24, 1989, the Jury returned its verdict. Joseph Mohwish and Bill J. Patrick were convicted of engaging in a continuing criminal enterprise and the

lesser included offense of conspiracy. They, along with petitioner Gross, were also convicted of conspiracy to violate the Currency Transaction Reporting Act (CTRA). Mohwish and Gross were also convicted of acting as accomplices to violations of the CTRA. The matter was appealed to the United States Circuit Court for the Sixth Circuit where Petitioner Patrick's CCE conviction was reversed, Ex. A, C, & D).

Mohwish and Gross have expressed an intent to petition for writs of certiorari. Should they prevail on their petitions for certiorari, petitioner Patrick will join Delmus G. Gross to the extent the conviction in Count 13 of the indictment is considered on certiorari and, will join Joseph Mohwish to the extent that the alleged juror misconduct is considered on certiorari.

Petitioner Patrick's petition is protective in nature and is intended to

preserve any right to relief his codefendants may be granted through certiorari to this court, which he may share under law.

COUNT THIRTEEN

Count 13 of the indictment alleged a conspiracy by all four defendants to commit currency transaction violations. Patrick was named in four of the 49 overt acts alleged in furtherance of the conspiracy, and his actions supposedly occurred in 1984, 1986, and in April or May of 1987. Included in Count 13 were purported violations of 31 U.S.C. §§ 5313 and 5332. Violations of these sections do not constitute a criminal offense. Yet the jury was not specifically required to identify which offense under Count 13 led to the verdict or what evidence was considered in reaching the verdict. Other offenses under Count 13 included knowingly and willfully "structuring" and assisting

in the structuring of currency transactions, in violation of 31 U.S.C. § 5324(3). This section was not effective until October 27, 1986.

JUROR MISCONDUCT

A member of the jury that convicted the Petitioners and decided the forfeiture issue, was shown to have given several untruthful responses during voir dire. He was acquainted with a material witness in the trial and failed to respond when asked. He did subsequently tell other jurors about his acquaintance but not the court.

The same juror also answered untruthfully questions about any associations with law enforcement. He was a close friend of a recently deceased sheriff as well as a jailer/police dispatcher in his home county. This same juror failed to respond to the question whether he had any close association with individuals who had been defendants in a

criminal case. In fact, his brother had been charged with and plead guilty to, book making. When asked whether he knew or was familiar with Delmus "Bunt" Gross, a codefendant in the case, the same juror failed to volunteer that his brother had bought a car from him in the past. Lastly, this same juror failed to respond when asked about any ties to Season Sash, a business allegedly used by the defendants to launder money. In fact, the juror's close cousin, with whom he socialized frequently, had worked at Season Sash. This fact, if not immediately apparent to him, did by his own testimony become apparent during the trial. The juror made no attempt, at any time, to notify the court or counsel of these facts.

ARGUMENT FOR GRANTING CERTIORARI

Petitioner, Bill J. Patrick, adopts co-petitioner Delmus G. Gross' argument for granting certiorari with regard to question

1 (at pg. 1): Whether a person may lawfully be convicted of conspiracy to commit [an offense against the United States] by general jury verdict which permitted a finding of guilt based on non-criminal conduct?

Petitioner, Bill J. Patrick, adopts petitioner Joseph A. Mohwish's argument for granting certiorari with regard to question 2 (at pg. 1): Whether a prospective juror (here, the foreman) who, during *voir dire* examination, failed to affirmatively respond to five material questions thereby withholding information concerning his qualifications to serve has exhibited sufficient bias so as to require a new trial?

It is fundamental that under the Sixth and Seventh Amendments of the United States Constitution, voir dire is necessary to insure a fair and impartial jury. This is done through the use of peremptory strikes by counsel and challenges for cause made

after questioning prospective jurors. "The denial or impairment of the right [to peremptory a challenge] is reversible error without showing of prejudice." *Swain v. Alabama*, 380 U.S. 202, 219 ((1965).

Juror bias may be actual or implied. It may be bias in fact or bias conclusively presumed as a matter of law. A juror may or may not be aware of his or her own bias. "Because the juror may have an interest in concealing his own bias and partly because the juror may be unaware of it," it necessarily must be inferred from surrounding facts and circumstances. *See McDonough Power Equipment v. Greenwood*, 464 U.S. 547 (1983) (Brennan, J. concurring). *McDonough* also recognized that a juror's silence, in response to a question on voir dire, should be taken as a negative answer when viewing juror bias.

In the Sixth Circuit, the Court or Appeals has stated:

> A new trial must be granted where the undisclosed information would have resulted in the juror disqualification for cause. This occurs when either the juror admits a feeling of partiality or "the judge makes a pragmatic judgment that there is a substantial possibility of a juror unconsciously favoring one side or another. [citation omitted] We also hold that a district judge shall presume bias, and grant a new trial, when a juror deliberately concealed information or gave a purposefully incorrect answer. A finding of deliberate concealment or mendacious conduct shall be guided by the factors set forth in Section II of our opinion."

McCoy v. Goldston, 652 F.2d 654, 659 (6th Cir. 1981).

The *McCoy* court listed three (3) factors to consider in determining deliberate concealment:

1. Whether the questions asked sufficiently inquired of the subject matter to be disclosed by the jury;
2. Whether the response of other jurors to the questions asked would put the reasonable person on notice that an answer was required;

3. Whether at any time during the trial the juror became aware of his false or misleading answer and failed to notify the District Court. *McCoy*, 652 F.2d at 658.

The *McCoy* principle was reaffirmed in *United States v. Howard*, 752 F.2d 220 (6th Cir. 1985) despite the governments argument that *McDonough* had overruled *McCoy* with a different standard. The Sixth Circuit Court of Appeals specifically upheld its *McCoy* three (3) factor analysis.

Clearly, using the Sixth Circuit's *McCoy* analysis the juror in question should have been stricken. Other jurors were stricken for answers that the juror in question would have had to have given had he answered truthfully. But, he did not answer truthfully and was not stricken.

Under the Sixth Circuit's holding in *McCoy* and *Howard*, a new trial must be ordered if the unknown or undisclosed

information would have led to a juror being stricken. In this case however, the Sixth Circuit ignored improper responses by the juror that, under the *McCoy* analysis, constituted deliberate concealment and required the district court to presume bias and grant a new trial. *See McCoy* at 659.

Allowing this juror to serve on the jury was contrary to established law in the Sixth Circuit and gutted Petitioner's Sixth Amendment right to an impartial and fair trial.

CONCLUSION

For the reasons set forth above, a Writ of Certiorari should issue to review the Judgment and Opinion of the Sixth Circuit Court of Appeals.

Respectfully submitted,

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EDITOR'S NOTE

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Nos. 89-6410/6411/6412/6443/6444;
91-5075/5076/5243

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

UNITED STATES OF AMERICA,
Plaintiff-Appellee,

v.

BILL J. PATRICK (89-6410/6443; 91-5075); DELMUS G. GROSS (89-6411); JOSEPH A. MOHWISH (89-6412/6444; 91-5076); KATHY MOHWISH (91-5243); SUE BELL SHEETS (91-5243),
Defendants-Appellants.

} ON APPEAL from the United States District Court for the Eastern District of Kentucky

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Decided and Filed May 20, 1992

Before: KENNEDY and SUHRHEINRICH, Circuit Judges; and ENGEL, Senior Circuit Judge.

SUHRHEINRICH, Circuit Judge, delivered the opinion of the court, in which ENGEL, Senior Circuit Judge, joined. KENNEDY, Circuit Judge (p. 16), delivered a separate concurring opinion.

SUHRHEINRICH, Circuit Judge. Joseph Mohwish and Bill Patrick ran a prosperous drug distribution and money laundering business. Delmus Gross's car dealership was used to launder the drug proceeds. It was Patrick's job to secure cocaine and marijuana and to locate buyers. Mohwish coordinated the drug operation with Patrick and stored cocaine. Mohwish also owned a holding company for several of his other corporations, including a window manufacturing firm called Season Sash. Mohwish and Gross used these corporations on behalf of their money laundering activity.

Gross and Mohwish appeal convictions for acting as accomplices to violations of the Currency Transactions Reporting Act ("CTRA"), 31 U.S.C. §§ 5313, 5322. Gross, Mohwish, and Patrick appeal convictions for conspiracy to violate the CTRA. This same trio requests a new trial because of juror misconduct and an assortment of evidentiary and other errors. Mohwish and Patrick appeal convictions for operating a continuing criminal enterprise ("CCE"). Kathy Mohwish and Sue Bell Sheets challenge a forfeiture order entered pursuant to Joseph Mohwish's CCE conviction. We affirm in part, and reverse and remand in part.

I

Gross and Mohwish were convicted as accomplices for causing the Union Bank & Trust Co. to violate the CTRA. Federal regulations require financial institutions to file a currency transaction report for each cash transaction of more than $10,000. 31 CFR § 103.22(a). In addition, 31 U.S.C. § 5322 makes it a criminal offense to knowingly violate section 103.22(a). The CTRA originally applied only to financial institutions. [1]

Gross and Mohwish used their respective businesses to prevent detection of drug sales and to avoid the CTRA.

[1]The CTRA has since been amended to encompass depositors. *See* 31 U.S.C. § 5324.

Mohwish periodically directed Season Sash's controller to make interest payments to Gross. Gross would then deposit these checks and return the funds to Mohwish, Patrick, or one of the companies under Mohwish's control.

Gross instructed his bookkeeper to put less than $10,000 on each deposit slip. The records show seventeen transactions in which Gross received a large cash payment from Mohwish or one of his companies. For each payment, there is an equivalent deposit into Gross's bank account and, shortly thereafter, a check issued to Mohwish, or an interest he controls, for an identical or similar amount.

As depositors, Gross and Mohwish could not be held directly liable for violating the CTRA. Instead, they were charged as accomplices under 18 U.S.C. § 2(b) for causing Union Bank & Trust to fail to file a currency transaction report. 31 U.S.C. § 5322.

A violation of sections 5313 and 5322 requires a knowing failure to report. Currency transactions are structured to prevent the financial institution from becoming aware of its reporting obligation. Consequently, the financial institution does not itself knowingly violate the reporting requirement and cannot be held criminally liable. Since the principal, the financial institution, did not commit a crime, the customer who structures transactions cannot be held criminally liable as an accomplice for aiding, abetting, or causing a crime. *United States v. Gimbel*, 830 F.2d 621, 624-26 (7th Cir. 1987); *United States v. Larson*, 796 F.2d 244, 246-47 (8th Cir. 1986); *United States v. Reinis*, 794 F.2d 506, 507 (9th Cir. 1986); *United States v. Anzalone*, 766 F.2d 676, 682-83 (1st Cir. 1985).

However, accomplice liability exists where the financial institution or an employee has knowledge of the structuring, even though the knowledge is not held by an employee with responsibility for reporting. *See United*

States v. Hayes, 827 F.2d 469, 472 (9th Cir. 1987). Union Bank & Trust vice-president David Maynard admitted accepting a "temporary" cash deposit of $100,000 without reporting it. Shortly after Maynard returned this money, Gross sent it back to the bank. Gross directed Maynard to issue cashier's checks in this amount and to structure the transaction to avoid the reporting requirement. Maynard complied although he knew it to be illegal.

Count 15 of the indictment charged Gross and Mohwish with causing the bank's failure to file a currency transaction report relating to this transaction. Because Union Bank & Trust acted knowingly, we affirm these convictions. We reverse the CTRA convictions brought under counts 14 and 16-30 because there is no evidence that the principal acted knowingly.

Mohwish and Gross claim that the law against structuring is unconstitutionally vague as applied to them. We join other circuits in rejecting this argument. *See, e.g., United States v. Richeson*, 825 F.2d 17 (4th Cir. 1987).

Next we consider a challenge brought by Gross, Mohwish, and Patrick to their convictions, under count 13, for conspiracy to violate the CTRA. They allege insufficient evidence of agreement. It is well-settled that "[n]o formal or express agreement is required. The agreement may be inferred from the acts done in furtherance of the conspiracy." *United States v. Hitow*, 889 F.2d 1573, 1577 (6th Cir. 1989).

Ample evidence of agreement was presented against each defendant. Mohwish periodically stored Patrick's cocaine and managed his financial affairs. The facts show that Gross frequently laundered cash for Mohwish. Mohwish, in turn, paid Patrick as a Season Sash employee even though Patrick did no work for the company. Gross directed Maynard to process a cash transaction of $100,000 without filing a currency transaction report.

This transaction was part of the money laundering operation, an essential element of the drug distribution enterprise. *See United States v. Orozco-Prada*, 732 F.2d 1076, 1080 (2d Cir.), *cert. denied*, 469 U.S. 845 (1984). Therefore, we affirm the convictions of Patrick, Mohwish, and Gross for conspiracy to violate the CTRA.

Gross, Mohwish, and Patrick also assign error to the court's refusal to instruct the jury that they had no duty to file currency transaction reports. However, the court did inform the jury of relevant statutory provisions placing the reporting requirement on the bank. The jury instructions clearly explained that the defendants could be convicted only if they conspired to cause the reporting requirement to be unfulfilled in violation of 31 U.S.C. § 5322. Under the circumstances, there is no reversible error. *See United States v. Townsend*, 796 F.2d 158, 163 (6th Cir. 1986).

II

Patrick and Mohwish appeal their CCE convictions. It is a crime to obtain substantial income by engaging in a continuing series of drug violations "in concert with five or more other persons" whom the defendant has organized, managed, or supervised. 21 U.S.C. § 848; *United States v. Davis*, 809 F.2d 1194, 1203 (6th Cir.), *cert. denied*, 483 U.S. 1007 (1987). Patrick and Mohwish deny organizing, managing, or supervising five other persons. The identity of the five persons chosen by the jury need not be unanimously agreed upon. *United States v. English*, 925 U.S. 154, 157-59 (6th Cir.), *cert. denied*, 111 S. Ct. 2810 (1991). However, there must be five persons who a jury could have found were organized, managed, or supervised by each defendant. *Davis*, 809 F.2d at 1204.

The first potential CCE scenario involves the extensive drug distribution operation of William Lawson. The evidence overwhelmingly proved that Patrick was one of Lawson's suppliers. But the mere existence of a buyer-

seller relationship, without more, is insufficient to prove organization, management, or supervision. *See, e.g., English*, 925 F.2d at 157; *United States v. Butler*, 885 F.2d 195, 201 (4th Cir. 1989). There is no evidence of anything beyond a buyer-seller relationship between Patrick or Mohwish and Lawson. Neither Patrick nor Mohwish was involved in organizing Lawson's enterprise. They did not dictate Lawson's prices, customers, or territory. Thus, neither Patrick nor Mohwish organized, managed, or supervised Lawson or any of Lawson's underlings.

A second CCE scenario points to Kathy Mohwish. Kathy was acquitted of conspiring to distribute drugs and launder money. One element of a CCE violation is that the defendant act "in concert with" the person organized, managed, or supervised. The phrase "in concert with" has been interpreted as requiring an agreement or conspiracy. *See United States v. Sinito*, 723 F.2d 1250, 1261 (6th Cir. 1983), *cert. denied*, 469 U.S. 817 (1984); *cf. Jeffers v. United States*, 432 U.S. 137, 148-50 (1977). Since Kathy was acquitted of conspiracy, neither Joseph Mohwish nor Bill Patrick could have acted in concert with her.

The government contends that Patrick's and Mohwish's interactions with other parties also raise the CCE specter. For example, a building contractor named Raymond Butler took cash for work performed at Season Sash. Elmer Haas sold his Florida condominium to Mohwish and accepted a substantial part of the $170,000 purchase price in cash. Gross's bookkeeper, Jean Smith, complied with instructions to avoid making cash deposits over $10,000.

The prosecution presented no evidence that Butler, Haas, or Smith had any knowledge of either the drug distribution or the money laundering activity, much less that they agreed or conspired with Patrick or Mohwish. Butler, Haas, and Smith were at most "innocent dupes" whose conduct unwittingly advanced the illicit purposes of

Patrick, Mohwish, and Gross. This falls short of acting "in concert with" under the CCE. *See Jeffers*, 432 U.S. at 148 n.14.

Eduardo Ruiz also cannot be included. The jury might have inferred that Ruiz was somehow involved in the drug operation, given that Mohwish put him on the payroll of Production Leasing for $1,000 a week, although he would appear only sporadically. This, however, is not enough to satisfy the CCE. In addition to criminal conduct, the CCE involves a relational element: that of organization, management, or supervision. The record supplies no basis for an inference regarding such a relationship between Ruiz and Mohwish or Patrick. At best, the record supports an inference that Ruiz supplied drugs for the enterprise. A supplier is not ordinarily organized, managed, or supervised by his customers. *See United States v. Jerome*, 942 F.2d 1328, 1331 (9th Cir. 1991).

A more persuasive CCE possibility concerns the activity of Kenny Patrick, Tommy Lancaster, and Greg Fender. Bill Patrick managed his son, Kenny. On at least one occasion, Kenny acted as a courier for his father by delivering the proceeds of a drug deal between Bill Patrick and Lawson. Kenny and two associates, Lancaster and Fender, also engaged in the distribution and sale of narcotics. Bill Patrick was acquitted of aiding and abetting this operation. His acquittal as an accomplice, however, does not preclude Patrick's CCE conviction as a manager, supervisor, or organizer of Kenny's operation because inconsistent jury verdicts may not form the basis for setting aside proper convictions on other counts. *United States v. Powell*, 469 U.S. 57 (1984).

Our task is to review the sufficiency of the evidence supporting the CCE convictions of Patrick and Mohwish without regard to Patrick's acquittal on the conspiracy charge. *Id.* at 67. The evidence indicated that Bill Patrick organized his son Kenny's delivery of drug money on one occasion. On another occasion, Kenny distributed "California cocaine" to Fender at the same time that his

father allegedly acquired "California cocaine" from Lawson. Bill Patrick was present when Kenny and Lancaster packaged cocaine in the basement of his house and on one occasion when Kenny received payment from Fender. Viewing this evidence in the light most favorable to the prosecution, we conclude that the jury could infer that Bill Patrick organized Kenny. *See United States v. Adamo*, 742 F.2d 927, 933-34 (6th Cir. 1984), *cert. denied*, 469 U.S. 1193 (1985).

It is well established that an organizer is not "necessarily able to control those whom he or she organizes." *United States v. Ray*, 731 F.2d 1361, 1367 (9th Cir. 1984). Rather, "an organizer can be defined as a person who puts together a number of people engaged in separate activities and arranges them in their activities in one essentially orderly operation or enterprise." *United States v. Apodaca*, 843 F.2d 421, 426 (10th Cir.), *cert. denied*, 488 U.S. 932 (1988). Here, Bill Patrick controlled Kenny and observed Kenny and Lancaster packaging cocaine in his basement. This is sufficient evidence for the jury to infer that Bill Patrick organized Lancaster through his control over Kenny. "[A]n individual need not have direct communications with participants in order to be their supervisor....If a defendant personally hires only the foreman, that defendant is still responsible for organizing the individuals hired by the foreman to work as the crew." *United States v. Rosenthal*, 793 F.2d 1214, 1226 (11th Cir. 1986), *cert. denied*, 480 U.S. 919 (1987).

Lastly, the jury could find that Patrick and Mohwish organized, managed, or supervised Delmus Gross and David Maynard,[2] and that Mohwish organized Patrick.

[2]The CCE applies when parties act in concert to violate the narcotics laws. Gross and Maynard engaged in money laundering. Since this is an integral part of a drug enterprise, a jury is entitled to infer from such conduct a conspiracy to aid and abet the violation of the narcotics laws. *See United States v. Orozco-Prada*, 732 F.2d 1076, 1080-81 (2d Cir.), *cert. denied*, 469 U.S. 845 (1984). Here, Gross was acquitted of conspiracy to violate the narcotics laws but convicted of money laundering. As noted above, however, we review the sufficiency of the evidence supporting inconsistent verdicts

Even if we accept that Patrick and Mohwish each organized, managed, or supervised Gross, Maynard, Kenny Patrick and Lancaster, this yields only four such persons for Patrick, too few to sustain a conviction under the CCE. We therefore reverse the CCE conviction of Bill Patrick.

Although the government contends that Patrick and Mohwish organized each other, the evidence indicates that it was Mohwish, who owned or controlled the corporations, supervised the money laundering, and received a larger share of the proceeds, who controlled Patrick. Counting Gross, Maynard, Bill Patrick, and through him, Kenny and Lancaster, Mohwish controlled five individuals. Accordingly, we affirm Mohwish's CCE conviction.

III

We next consider the third party challenge to the forfeiture order entered pursuant to Mohwish's CCE conviction. Under 21 U.S.C. § 853(n)(2), third parties must file a petition within thirty days of notice of the forfeiture order. Section 853(n)(4) directs that, if practicable, the hearing should be held within 30 days of the filing of the petition. Section 853(k) bars all intervention not taken pursuant to section 853(n). However, section 853(h) allows a third party to stay the forfeiture if proceeding with it would irreparably harm the petitioner.

The verdict against Gross, Mohwish, and Patrick was returned on August 24, 1989. On September 11, 1989, the court issued seizure warrants for the properties indicated in Counts 1 and 2 of the indictment. On September 28, 1989, Kathy Mohwish filed a Third Party Interest Petition to challenge the seizure. The next day,

---

separately. *Powell*, 469 U.S. at 67. We find ample evidence to support the jury's finding that Gross's conduct was taken "in concert with" Mohwish's and Patrick's violation of the narcotics laws.

Sue Bell Sheets and Kathy Mohwish, as trustee for the Joseph Allen Mohwish II Trust, filed Third Party Interest Petitions. These petitions were also signed by Frank DeSalvo, attorney for Joseph Mohwish. A hearing on the petitions was scheduled for November 3, 1989. When the petitions of Mohwish and Sheets were called, DeSalvo withdrew the petitions on their behalf. On May 9, 1990, petitioners filed a motion to reinstate their third party petitions. The court denied these motions on January 29, 1991.

Petitioners argue that the government is estopped from proceeding with the forfeiture action. On August 28, 1989, attorney DeSalvo stated, "it's my understanding that an appeal would suspend any seizures until completion of that appeal and I want the record to reflect that we fully intend to appeal the verdict of the jury both as to guilt and particularly as to guilt of Count 1 and as to forfeiture." This statement does not support the petitioners' estoppel argument. Petitioners contend the November 3 withdrawal of their petition was made in the belief that the appeal stayed the forfeiture. Further, they contend that because neither the district court nor the assistant U.S. attorney corrected this erroneous belief when DeSalvo expressed it, the government is estopped from proceeding with the forfeiture. The district court rejected this argument and refused to reinstate the petitions.

This finding can only be reversed if it was an abuse of discretion. *See United States v. One 1972 44' Striker, Bonanza*, 753 F.2d 867, 869 (11th Cir. 1985). The district court found that since the petitioners knew to file a petition within thirty days, they were aware that the petition was required to allow them to intervene in the action. This finding was not an abuse of discretion. Moreover, parties who assert estoppel must prove that their reliance was induced. *See* Restatement (Second) of Contracts § 90 (1979). There is no evidence of inducement here.

The Seventh Circuit has established a procedure for forfeiture cases where, due to procedural considerations, the trial court did not conduct a hearing on the merits. In such cases, the trial court is to conduct an independent review of its forfeiture order. *United States v. De Ortiz*, 910 F.2d 376, 384 (7th Cir. 1990). The court here conducted such a review and concluded that "these petitioners have no right to any interests in the properties." This finding is not clearly erroneous. *See United States v. Reckmeyer*, 836 F.2d 200, 204 (4th Cir. 1987).

Petitioners also wish to stay the forfeiture proceedings. 21 U.S.C. § 853(h) allows this if they can show that they would otherwise suffer irreparable harm, injury, or loss. The provisions of section 853(k), which bar intervention other than under section 853(n), do not apply to section 853(h) because section 853(h) only stays the forfeiture proceedings. However, there is no reason to stay the forfeiture proceedings here because we affirm Mowish's CCE conviction and because we uphold the district court's finding that the petitioners have no valid claim to the forfeited property.

IV

Gross, Mohwish, and Patrick identify juror misconduct as the basis for challenging the denial of their motion for a new trial. Denials of a motion for new trial will be upheld absent abuse of discretion. *Budoff v. Holiday Inns, Inc.*, 732 F.2d 1523, 1525 (6th Cir. 1984). The defendants submit that juror Cunningham responded inappropriately to several questions posed to the venire panel, thereby withholding information the questions were designed to elicit. This allegedly led to a Sixth Amendment violation by depriving the defendants of the ability to exercise intelligently their peremptory challenges.

A prospective juror's failure to disclose material information is grounds for a new trial if it demonstrates

bias. *McCoy v. Goldston*, 652 F.2d 654, 658-59 (6th Cir. 1981). If a juror is found to have deliberately concealed material information, bias may be inferred. If, however, information is not concealed deliberately, the movant must show actual bias. *Cunningham v. Sears, Roebuck & Co.*, 854 F.2d 914, 916 (6th Cir. 1988).

The venire panel was read a list of witness names and instructed to notify the court of any acquaintances on the list. Juror Cunningham did not respond when "James Dennis of Clay City" was read. After Dennis testified, Cunningham told another juror that he recognized him and that Dennis sold insurance. When asked why he did not respond during voir dire, Cunningham said he knew Dennis only as "James Ed Dennis". Acceptance of this reply was not an abuse of discretion. *See Cunningham*, 854 F.2d at 916.

The venire panel was also queried about any relatives or close friends in the law enforcement community. Cunningham failed to disclose that his brother was a deputy jailer and that he was a friend of a deceased former sheriff. Cunningham was unaware of a jailer's involvement with law enforcement. He thought his friendship with the former sheriff was mooted by the latter's death. On these facts it was no abuse of discretion to find that the failure to disclose was not deliberate.

The venire panel's knowledge of or familiarity with Delmus Gross was examined. Cunningham had no personal contact with Gross but knew that his brother had purchased a truck from Gross's car dealership. Cunningham was not required to report incidental family dealings of this kind.

Inquiries were made of the venire panel's dealings with or knowledge of Season Sash. Unbeknownst to Cunningham, his first cousin was employed by Season Sash. Cunningham testified that he was not aware of his cousin's employment with Season Sash until after the

trial. This information could not have been concealed or of consequence to Cunningham's deliberations.

Finally, venire panel members were asked if any close relatives or friends had been a criminal defendant. Cunningham's brother was once charged with possession of gambling records and pled guilty to a misdemeanor. Cunningham first stated that he did not answer because the question asked for a felony, not a misdemeanor. When informed that the question referred to any criminal case, Cunningham responded that he did not think the question applied to a plea bargain. The decision to believe Cunningham does not constitute an abuse of discretion.

Since Cunningham did not deliberately conceal information, bias may not be inferred. For the defendants to receive a new trial, actual bias must be shown. The record discloses no sign of Cunningham's actual bias.

V

The defendants' remaining contentions need not detain us long. The defendants claim they were not told of the identity of several witnesses prior to trial. The denial of a bill of particulars lies within the discretion of the trial court. *United States v. Hawkins*, 661 F.2d 436, 452 (5th Cir. 1981), *cert. denied*, 456 U.S. 991 (1982). The indictment informed the defendants regarding the subject matter of the testimony and no prejudice resulted. *See United States v. Burt*, 765 F.2d 1364, 1367 (9th Cir. 1985).

Patrick and Mohwish moved for severance after the admission of a statement made by Gross. The motion was denied and was not renewed at the close of the evidence. It was thereby waived. *United States v. Swift*, 809 F.2d 320, 323 (6th Cir. 1987).

Rebecca Johnson testified that her former husband described Patrick as "the big man." Patrick describes this

as inadmissible hearsay. The record discloses no objection to either the question or the response. Thus, Patrick has failed to preserve this issue for appeal.

The *Brady* doctrine requires the prosecution to disclose material exculpatory evidence to a criminal defendant. *Brady v. Maryland*, 373 U.S. 83, 86-87 (1963). Patrick claims that the delay in disclosing the fraud conviction of government witness Carroll violated *Brady*. Delay only violates *Brady* when the delay itself causes prejudice. *United States v. Word*, 806 F.2d 658, 665 (6th Cir. 1986), *cert. denied*, 480 U.S. 922 (1987). Although Carroll's testimony hurt Patrick, no prejudice was proved.

The Jencks Act, 18 U.S.C. § 3500, requires the prosecution to supply the defense with any material statement made by a witness to the government that is signed or otherwise verified by the declarant. Patrick complains that statements made by witness Klein were not timely made available to him. The court offered to recall Klein for further cross examination when his Jencks statements were disclosed. There is no prejudice from a tardy Jencks disclosure if the court gives the defendant the opportunity, upon disclosure, to recall the witness for cross examination. *United States v. Valera*, 845 F.2d 923 (11th Cir. 1988), *cert. denied*, 490 U.S. 1046 (1989).

Patrick also alleges that FBI notes of various witness interviews were undisclosed. The notes were subsequently lost. There is no showing that the notes were verified or adopted by the witnesses and so their Jencks status is unclear. In addition, there is no evidence that the unavailability of these notes was the result of bad faith by the prosecution. *See United States v. Vella*, 562 F.2d 275, 276 (3d Cir. 1977) (although the government should maintain such notes, there is no prejudice absent bad faith in failing to do so), *cert. denied*, 434 U.S. 1074 (1978).

VI

To sum up, the CCE conviction of Bill Patrick is reversed and remanded to the district court with instructions to vacate. The CTRA convictions of Delmus Gross and Joseph Mohwish brought under Counts 14 and 16-30 are reversed and remanded to the district court with instructions to vacate. We affirm in all other respects.

KENNEDY, Circuit Judge, concurring. I concur in the Court's opinion and write separately only because I would hold that the jury could include Ruiz as one of those organized and controlled by Joseph Mohwish.

--- F.2d ----
1992 WL 104520 (6th Cir.(Ky.))

UNITED STATES of America, Plaintiff-Appellee,

v.

Bill J. PATRICK (89-6410/6443; 91-5075); Delmus G. Gross (89-6411); Joseph A. Mohwish (89-6412/6444; 91-5076); Kathy Mohwish (91-5243); Sue Bell Sheets (91-5243), Defendants-Appellants.

Nos. 89-6410 to 89-6412, 89-6443, 89-6444, 91-5075, 91-5076 and 91-5243.

United States Court of Appeals,

Sixth Circuit.

Argued Oct. 1, 1991.

Decided May 20, 1992.

Rehearing and Rehearing En Banc Denied July 6, 1992.

ORDER

The court having received a petition for rehearing en banc, and the petition having been circulated not only to the original panel members but also to all other active judges of this court, and no

judge of this court having requested a vote on the suggestion for rehearing en banc, the petition for rehearing has been referred to the original hearing panel.

The panel has further reviewed the petition for rehearing and concludes that the issues raised in the petition were fully considered upon the original submission and decision of the case. Accordingly, the petition is denied.

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

UNITED STATES OF AMERICA

Plaintiff-Appellee,

v.

BILL J. PATRICK (89-6410/6443; 91-5075); DELMUS G. GROSS (89-6411); JOSEPH A. MOHWISH (89-6412/6444; 91-5076); KATHY MOHWISH (91-5243); SUE BELL SHEETS (91-5243),

Defendants-Appellants,

Before: Kennedy and Suhrheinrich, Circuit Judges; Engel, Senior Circuit Judge

JUDGMENT

(Filed May 20, 1992)

On Appeal from the United States

District Court for the Eastern District of Kentucky at Covington.

THIS CAUSE was heard on the record from the district court and was argued by counsel.

ON CONSIDERATION WHEREOF, it is ordered that the CCE conviction of Bill Patrick is reversed and remanded with instructions to vacate. The CTRA convictions of Delmus Gross and Joseph Mohwish brought under Counts 14 and 16-30 are reversed and remanded with instructions to vacate. IT IS FURTHER ORDERED that the judgments of the district court are affirmed in all other respects.

ENTERED BY ORDER OF THE COURT

/S/ Leonard Green
Clerk

Issued as Mandate: (89-6411 only) 7/31/92

COSTS: No Costs

Filing Fee.....$
Printing.....$

Total.....$

A True Copy
Attest

/s/ Diane Schnur
Deputy Clerk

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
COVINGTON

CRIMINAL ACTION NO. 88-54

UNITED STATES OF AMERICA, PLAINTIFF

V.

ORDER
(FILED JULY 21, 1992)

BILL G. PATRICK, ET AL., DEFENDANTS

* * * * *

In accordance with the Opinion of the United States Court of Appeals for the Sixth Circuit, IT IS HEREBY ORDERED as follows:

1. That the Judgment of conviction of Delmus Gross for acting as an accomplice to violate the Currency Transactions Reporting Act, 31 U.S.C. §§ 5313, 5322, as alleged in Counts 14 and 16-30 of the indictment is **VACATED;**

2. That the judgment of conviction of Joseph Mohwish for acting as an accomplice to violate the Currency Transactions Reporting Act, 31 U.S.C. §§ 5313, 5322, as alleged in Counts 14 and 16-30 of the

indictment is **VACATED;**

3. That the Judgment of conviction of Bill J. Patrick for operating a continuing criminal enterprise as alleged in the indictment is **VACATED;**

This 21st day of July, 1992.

/s/ KARL S. FORESTER, JUDGE

Supreme Court, U.S.
FILED
SEP 23 1992
OFFICE OF THE CLERK

Nos. 92-269 and 92-324

In the Supreme Court of the United States

OCTOBER TERM, 1992

DELMUS G. GROSS, PETITIONER

v.

UNITED STATES OF AMERICA

BILL J. PATRICK, PETITIONER

v.

UNITED STATES OF AMERICA

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR THE UNITED STATES IN OPPOSITION

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BEST AVAILABLE COPY

QUESTIONS PRESENTED

1. Whether petitioners' conspiracy convictions were defective on the ground that one object of the conspiracy was not a crime.

2. Whether petitioner Gross had sufficient notice that structuring deposits in collision with a bank official so as to avoid currency transaction reporting requirements was illegal.

3. Whether petitioner Patrick is entitled to a new trial because one juror, during jury selection, withheld certain information.

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In the Supreme Court of the United States

OCTOBER TERM, 1992

No. 92-269

DELMUS G. GROSS, PETITIONER

v.

UNITED STATES OF AMERICA

No. 92-324

BILL J. PATRICK, PETITIONER

v.

UNITED STATES OF AMERICA

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF FOR THE UNITED STATES IN OPPOSITION

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-14a)[1] is reported at 965 F.2d 1390.

[1] "Pet. App." refers to the appendix filed in No. 92-269.

JURISDICTION

The judgment of the court of appeals was entered on May 20, 1992. A petition for rehearing was denied on July 7, 1992. Pet. App. 15a. The petition for a writ of certiorari in No. 92-269 was filed on August 11, 1992, and the petition for a writ of certiorari in No. 92-324 was filed on August 19, 1992. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

After a jury trial in the United States District Court for the Eastern District of Kentucky, petitioners were convicted of conspiring to cause a financial institution to fail to file currency transaction reports, in violation of 18 U.S.C. 371 and 31 U.S.C. 5313, 5322, and 5324(3). Petitioner Gross also was convicted on 17 substantive counts of causing a bank to fail to file currency transaction reports, in violation of 31 U.S.C. 5313 and 5322. Petitioner Patrick also was convicted on one count of operating a continuing criminal enterprise, in violation of 21 U.S.C. 848; one count of conspiring to distribute cocaine and marijuana, in violation of 21 U.S.C. 846; three counts of distributing cocaine, in violation of 21 U.S.C. 841(a)(1); five counts of interstate travel with intent to promote a cocaine possession and distribution business, in violation of 18 U.S.C. 1952(a)(3); and one count of failing to file an income tax return, in violation of 26 U.S.C. 7203. Gross was sentenced to five years' imprisonment and was fined $150,000, while Patrick was sentenced to 21 years' imprisonment, to be followed by five years' supervised release, and was ordered to forfeit certain property. The court of appeals reversed Patrick's CCE conviction but affirmed the remainder of his convictions. The court affirmed Gross's conspiracy conviction but reversed

all but one of Gross's convictions on the substantive counts. Pet. App. 1a-14a.

1. The evidence at trial showed that petitioner Patrick and co-defendant Joseph Mohwish operated a cocaine and marijuana drug distribution and money laundering business in the Cincinnati, Ohio, area. Patrick obtained the drugs used in the operation and located wholesale and retail customers. Mohwish coordinated the drug operation with Patrick and stored cocaine. Petitioner Gross and Mohwish used Gross's automobile dealership and several corporations owned by Mohwish, including a window manufacturing firm known as Season Sash, to launder the proceeds of the drug business and conceal its profits. Pet. App. 2a.

The money laundering was accomplished in the following manner: Mohwish periodically had Season Sash's controller make "interest" payments to Gross, primarily in cash. Gross in turn would deposit those payments into his own account and then return the funds to Mohwish, Patrick, or one of Mohwish's corporations by means of a check. Pet. App. 2a-3a. In order to avoid currency transaction reporting requirements, Gross instructed his bookkeeper to deposit less than $10,000 in cash at a time. *Id.* at 3a; Gov't C.A. Br. 58. There were 17 occasions between June 1983 and March 1985 on which Gross received large cash payments of between $20,000 and $100,000 from Mohwish's companies, made matching deposits into Gross's bank account, and then shortly afterwards issued a check to Mohwish or one of his companies for a similar amount. Pet. App. 3a; Gov't C.A. Br. 31-34.

In December 1983, Gross asked David Maynard, executive vice president of Union Bank & Trust, to keep $100,000 in cash in the bank's safe over the

holidays. Maynard returned the bag to Gross after Christmas, and Gross said he would keep it. Instead, Gross telephoned Maynard and said that he was sending the cash back, that he wanted it to go to one Eddie Ballard, and that he did not want the transaction to be reported. Maynard then obtained 10 cashier's checks for $9,500 each and one cashier's check in the amount of $5,000, made out as Gross had requested. Maynard did not file any currency transaction reports (CTRs) for that transaction. Pet. App. 3a-4a; Gov't C.A. Br. 35.

2. Following their convictions, petitioners moved for a new trial on the ground that one juror had withheld information during jury selection. A magistrate held an evidentiary hearing and recommended that petitioners' claims be denied. R. 361; 3 C.A. Jt. App. 521-544. After reviewing the hearing testimony, the district court adopted the magistrate's recommendations. R. 365; 1 C.A. Jt. App. 129. The court of appeals held that the district court had not abused its discretion in accepting the juror's explanation of why he did not respond when asked if he knew a prospective witness and when asked about any relatives or close friends he had in law enforcement. Pet. App. 11a. The court of appeals also held that the juror was not required to report a transaction by his brother with petitioner Gross's car dealership, and the court held that the juror did not conceal knowledge that his first cousin was employed at Season Sash, because the juror did not learn of that employment until after the trial. *Id.* at 12a. Finally, the court rejected petitioners' argument that the juror had not responded truthfully when asked if any close relative or friend had ever been a defendant in a criminal case. The court held that the district court properly accepted the juror's explanation that he thought the

question applied only to felonies and did not reach plea bargains. The court of appeals therefore held that the juror did not deliberately conceal information, and that petitioners were not entitled to a new trial based on the juror's responses during voir dire. *Ibid.*

3. Gross also challenged the validity of his convictions for violating the Currency and Foreign Transactions Reporting Act, 31 U.S.C. 5313, 5322. Federal regulations require financial institutions to file a currency transaction report for each cash transaction of more than $10,000, 31 C.F.R. 103.22(a), and Section 5322 makes it a criminal offense knowingly to violate the regulation. The court of appeals noted that at the time of petitioner's offenses, the Act applied to financial institutions only. Pet. App. 2a. The court observed that under the version of the statute in effect at that time, if currency transactions were structured so as to prevent a financial institution from becoming aware of its reporting obligation, the financial institution did not violate the reporting requirement of the statute. The court ruled that a customer who structured the transactions in those circumstances could not be held criminally liable. *Id.* at 3a. As a result, the court reversed all but one of Gross's convictions for causing a bank to fail to file currency transaction reports. *Id.* at 4a. The court found, however, that the evidence on one of the substantive CTR counts showed that Gross gave bank vice president Maynard a "temporary" deposit of $100,000 cash, and then directed Maynard to obtain cashier's checks for less than $10,000 each and not to file a currency transaction report on the transaction. On that occasion, the court reasoned, the bank had acted knowingly, and Gross had aided and abetted a knowing violation of the CTR filing requirement.

Accordingly, the court affirmed Gross's conviction for that violation. *Id.* at 3a-4a.

The court of appeals also affirmed petitioners' convictions for conspiring to violate the currency transaction reporting requirements. The court found that there was abundant evidence of an agreement between Gross, Patrick, and Mohwish, and that the money laundering operation was an essential feature of the drug business. Pet. App. 4a.

ARGUMENT

1. Petitioners contend (92-269 Pet. 4-5; 92-324 Pet. 15-16) that they were wrongly convicted on the conspiracy count because that count charged them with conspiring to do something that was not a crime at the relevant time.

The conspiracy count charged respondents with conspiring to cause the bank to fail to file CTRs and to file false CTRs, in violation of 31 U.S.C. 5313 and 5322. It also charged them with conspiring to structure transactions with the bank, in violation of 31 U.S.C. 5324(3). As Gross points out, Section 5324(3) did not become effective until October 27, 1986. Petitioners argue that, because none of the substantive CTR offenses for which they were convicted took place after the effective date of Section 5324(3), the jury might have found them guilty of conspiracy based on their agreement to violate Section 5324(3) before the effective date of that statute and thus before such an agreement would have constituted a crime.

Petitioners' argument is flawed for two reasons. First, petitioners attack the factual sufficiency of the evidence as to one of the objects of the conspiracy, not the legal basis for the jury's conviction. The district court instructed the jury that Section 5324(3) was not

effective until October 27, 1986. See 19 Tr. 28. That was precisely the instruction that the defendants requested. See 9 C.A. Jt. App. 1802 ("we believe that date should be included in there because if the jury were allowed to consider all of the dates about which proof has been taken, it would constitute an ex post facto law"). They therefore cannot now complain that the instruction was inadequate or that the jury convicted them based on misinformation concerning the governing legal principles. Petitioners' argument thus reduces to the claim that the jury may have based its conviction on an object of the conspiracy for which there was insufficient evidence—that they conspired to structure transactions with the bank, in violation of 31 U.S.C. 5324(3)—rather than on an object of the conspiracy for which there was ample evidence—that they conspired to cause the bank to fail to file CTRs and to file false CTRs, in violation of 31 U.S.C. 5313 and 5322. As this Court made clear in *Griffin* v. *United States*, 112 S. Ct. 466 (1991), it is presumed under those circumstances that the jury convicted on the basis of the ground that was supported by evidence rather than on the ground for which there was insufficient evidence. 112 S. Ct. at 474.[2] Petitioners' conspiracy convictions therefore were properly upheld even if the evidence was

[2] Petitioners incorrectly rely (92-269 Pet. 5) on decisions in which the Court has set aside general verdicts when one of the possible bases of conviction was legally flawed. See, *e.g.*, *Stromberg* v. *California*, 283 U.S. 359, 367-370 (1931). As *Griffin* made clear, a conviction may be reversed because the jury was incorrectly instructed on the legal principles governing one of several possible bases of conviction, but it may not be reversed simply because of a failure of proof on one of several alternative bases. See 112 S. Ct. at 470-474.

insufficient to prove an agreement to violate Section 5324(3) at a time when that statute was in effect.

In any event, there was sufficient evidence to convict petitioners of conspiring to violation Section 5324(3). The conspiracy count charged that the conspiracy continued through 1987, which was after the effective date of Section 5324(3). Several overt acts charged in the conspiracy count also involved cash transactions that took place after the effective date of the statute. See 1 C.A. Jt. App. 67, 79. There was accordingly sufficient evidence for the jury to convict petitioners of having conspired to violate Section 5324(3) after that statute became effective.

2. Petitioner Gross argues (92-269 Pet. 6-10) that his conviction for aiding and abetting a violation of the currency transaction reporting requirements violated his right to due process because he did not have fair warning of the criminal nature of his conduct. Petitioner asserts that there is a conflict in the circuits concerning whether, prior to the enactment of Section 5324(3), an individual could be convicted of aiding and abetting a violation of 31 U.S.C. 5313 and 5321 for causing a bank to fail to file a CTR.

Under 31 U.S.C. 5313, the Secretary of the Treasury has the authority to promulgate regulations requiring a participant in a cash transaction with a domestic financial institution to file a report of the transaction. Pursuant to that authority, the Secretary has promulgated regulations requiring financial institutions to file currency transaction reports (CTRs) whenever a customer engages in a cash transaction of more than $10,000. See 31 C.F.R. 103.21-103.29. The regulations do not, however, di-

rectly impose on the customer an obligation to file a CTR.[3]

A number of courts have held that, in light of the failure of the regulations to impose any duty directly on the customer, 18 U.S.C. 2(b) does not impose accessory liability on a customer who structures a transaction to keep the financial institution from learning that the transaction involves more than $10,000 and thereby prevents the bank from knowingly violating the CTR statute. In the view of those courts, to impose accessory liability on the customer in a case in which the bank did not itself knowingly violate the CTR statute as a principal would fail to give the customer fair notice of the criminality of his conduct. See, *e.g.*, *United States* v. *Anzalone*, 766 F.2d 676, 681-682 (1st Cir. 1985); *United States* v. *Larson*, 796 F.2d 244, 247 (8th Cir. 1986); *United States* v. *Varbel*, 780 F.2d 758, 762 (9th Cir. 1986). Other courts, however, have held that an individual who structures a cash transaction to keep a financial institution from learning that the CTR requirements are triggered has caused the institution to fail to file the CTR, and thus is liable under the ordinary interpretation of 18 U.S.C. 2(b). See, *e.g.*, *United States* v. *Heyman*, 794 F.2d 788 (2d Cir.), cert. denied, 479 U.S. 989 (1986); *United States* v. *Cook*, 745 F.2d 1311 (10th

[3] Gross complains in passing (92-269 Pet. 10) that the district court refused to instruct the jury that he did not have an obligation to file a CTR. As the court of appeals explained, Pet. App. 4a-5a, the district court informed the jury of the relevant statutory provisions imposing the reporting obligation on the bank, and the instructions made clear that petitioners could be convicted for the CTR violations only if they caused or conspired to cause the bank to fail to file a CTR. That was sufficient to apprise the jury of the respective obligations imposed on the bank and parties dealing with the bank.

Cir. 1984), cert. denied, 469 U.S. 1220 (1985); *United States* v. *Meros*, 866 F.2d 1304 (11th Cir.), 493 U.S. 932 (1989); *United States* v. *Giancola*, 783 F.2d 1549 (11th Cir.), cert. denied, 479 U.S. 1018 (1986); *United States* v. *Tobon-Builes*, 706 F.2d 1092 (11th Cir. 1983).

In a portion of its decision not at issue on these petitions, the court of appeals reversed all but one of Gross's convictions for substantive CTR violations. In reversing those convictions, the court of appeals essentially agreed with petitioner and with the line of authority represented by *Anzalone*, *Larson*, and *Varbel* that, prior to the enactment of Section 5324(3), it was not a crime for an individual to structure cash deposits to keep the bank from learning that the CTR reporting requirement was triggered.

The court of appeals' affirmance of Gross's conviction on the single remaining CTR count, however, is consistent with both lines of appellate authority. That count arose out of the transaction that took place after Christmas in 1983 in which Gross returned $100,000 in cash to Union Bank & Trust Vice-President Maynard and specifically directed Maynard not to file a CTR. With respect to that transaction, it was clear that the bank had an obligation to file a CTR and failed to do so, since its officer was aware of the fact that the transaction involved more than $10,000 in cash and yet complied with Gross's scheme. Accordingly, the bank was liable for its violation of 31 U.S.C. 5313 and 5322 as principal. Gross's liability as aider and abetter follows under any reasonable interpretation of the statutes involved. His conviction on that count is not called into question by *Anzalone*, *Larson*, or *Varbel*, and there is no conflict among the circuits concerning the validity of that conviction.

In any event, the conflict in authority on which petitioner attempts to rely is of no continuing

importance. As petitioner himself notes, since the time he committed his offense, Congress has amended the currency transaction reporting statute to render structured transactions illegal, regardless of whether the financial institution itself knowingly violated the statute. See Money Laundering Control Act of 1986, Subtitle H of the Anti-Drug Abuse Act of 1986, Pub. L. No. 99-570, 100 Stat. 3207-18 to 3297-39. One of the express purposes of the new Act was to overrule the decisions in *Anzalone* and *Varbel* and to codify the position of the Eleventh Circuit in *Tobon-Builes*. Section 1354 of the Act, 100 Stat. 3207-22, entitled "Structuring Transactions to Evade Reporting Requirements Prohibited," created a new Section 5324 of Title 31, which provides in pertinent part:

> No person shall for the purpose of evading the reporting requirements of section 5313(a) with respect to such transaction—(1) cause or attempt to cause a domestic financial institution to fail to file a report required under section 5313(a); (2) cause or attempt to cause a domestic financial institution to file a report required under section 5313(a) that contains a material omission or misstatement of fact; or (3) structure or assist in structuring, or attempt to structure or assist in structuring, any transaction with one or more domestic financial institutions.

By its terms, the statute imposes criminal liability for causing a financial institution to fail to file a CTR as well as for structuring deposits, as petitioner did here, for the purpose of evading the reporting requirements of Section 5313. The legislative history specifically states that Congress intended to codify the Eleventh Circuit's pre-1986 position, under which petitioner is clearly liable. S. Rep. No. 433, 99th

Cong., 2d Sess. 21-22 (1986). Thus, even if this case implicated the conflict in the circuits concerning the pre-1986 currency reporting statute, further review to resolve that conflict would not be warranted.

3. Finally, petitioner Patrick argues (92-324 Pet. 18-22) that a juror's failure to respond accurately to several questions during jury selection requires that Patrick be granted a new trial. The courts below correctly resolved that claim against petitioner, and further review of that factbound claim is accordingly unwarranted.

The courts below held that the juror had not deliberately concealed information when he failed to state that he knew potential witness James Dennis (the juror said he knew Dennis by a slightly different name); and when, in response to a question concerning relatives or close friends involved in law enforcement, he failed to disclose that he had been a friend of a now-deceased former sheriff (the juror explained that he understood the question to refer only to relatives or friends currently living) and that his brother was a deputy jailer (the juror stated that he did not understand that a jailer was involved in law enforcement). The courts also found that the juror had not concealed information about familiarity with petitioner Gross (the juror's brother had bought a truck from Gross's car dealership), or Season Sash, because he had none. Finally, the court of appeals held that the district court acted within its discretion in accepting the juror's explanation of why he had not revealed that his brother had pleaded guilty to a misdemeanor. Pet. App. 11a-12a.

Patrick recognizes (92-324 Pet. 20) that a new trial is warranted in the case of undisclosed information during voir dire only if the juror deliberately concealed information or if the undisclosed information

would have resulted in the juror's disqualification for cause. In this case, the district court found that the juror did not deliberately withhold any information and that the information he provided in the post-trial hearing did not show actual bias. The court of appeals upheld both findings. Because Patrick offers nothing to undercut the concurrent findings of the two courts below, his claim must fail.[4]

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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[4] Patrick argues (92-324 Pet. 19-22) that the Sixth Circuit's decision in this case conflicts with its previous decision in *McCoy* v. *Goldston*, 652 F.2d 654, 659 (6th Cir. 1981). Review by this Court is not warranted to resolve an intra-circuit conflict. *Wisniewski* v. *United States*, 353 U.S. 901, 902 (1957). In any event the decision in this case is not in conflict with the decision in *McCoy*; in *McCoy*, the district court failed to hold a hearing on allegations that established a *prima facie* case of intentional nondisclosure by a juror. Here, by contrast, a hearing was held and the district court found no intentional nondisclosure or bias on the part of the juror.